

Message Text

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ACTION EB-08

INFO OCT-01 ISO-00 IO-13 AF-10 ARA-10 EA-10 EUR-12
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FM USMISSION GENEVA
TO SECSTATE WASHDC 2907

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STADIS//////////

E.O. 11652: N/A
TAGS: UNCTAD, ETRD
SUBJECT: UNCTAD COMMODITIES: COPPER: FOLLOW-UP TO FOURTH
PREPARATORY MEETING ON COPPER

REFERENCE: (A) GENEVA 11396; (B) LIMA 6289

1. THE MISSION FEELS THAT, IN THE LIGHT OF THE ROLE PLAYED
BY PERU, MEXICO, VENEZUELA AND ZAIRE AT THE RECENT PREPARA-
TORY MEETING ON COPPER, THE DEPARTMENT MAY WISH TO DRAW ON
THE FOLLOWING AS A FOLLOW-UP CABLE TO THOSE POSTS. SINCE
THE ISSUE OF COPPER MAY ARISE IN THE NEXT TDB, FURTHER
INFORMATION ON COUNTRY POSITIONS COULD PROVE USEFUL. THE
DEPARTMENT MAY WISH TO STRENGTHEN THE WORDING AND ASK POSTS
TO MAKE A STRONGER INTERVENTION ALTHOUGH WE WOULD NOT WISH
TO GIVE THE IMPRESSION WE ARE SO COMMITTED TO A PCF THAT WE
ARE PREPARED TO COMPROMISE ON FUNDAMENTAL ASPECTS OF THE
BODY'S AUTONOMY.

2. IF THE DEPARTMENT AGREES, WE WOULD ALSO LIKE TO SEND
SECRETARY GENERAL COREA A LETTER EXPLAINING OUR CONCERN OVER
THE TACTICS FOLLOWED BY SOME OF THE G-77 PARTICIPANTS. THE
DRAFT TEXT OF THIS LETTER IMMEDIATELY FOLLOWS THE DRAFT TEXT
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OF OUR PROPOSED CABLE. WE BELIEVE THAT THESE INTERVENTIONS
WILL BE ESPECIALLY USEFUL TO HAVE ON THE RECORD AS WE MOVE
TOWARDS NEGOTIATIONS ON THE COMMON FUND AND THE COMMODITY
AGREEMENTS THAT WILL BE LINKED TO IT.

3. BEGIN SUGGESTED TEXT OF CABLE: ACTION POSTS WILL HAVE
NOTED FROM THE REPORTING CABLE OF THE FOURTH PREPARATORY

MEETING ON COPPER (REF A) THAT A NUMBER OF DEVELOPING EXPORTING COUNTRIES SUCCESSFULLY BROUGHT ALL PROGRESS TOWARDS THE ESTABLISHMENT OF AN AUTONOMOUS COPPER BODY TO A HALT. THIS CAMPAIGN WAS LED BY PERU, MEXICO AND VENEZUELA WITH SOME SUPPORT FROM OTHER DEVELOPING COUNTRIES, MOST NOTABLY ZAIRE. PERU INITIATED THE ORCHESTRATION WITHIN THE G-77 DURING THE AD HOC COMMITTEE MEETING THE PREVIOUS WEEK. UNFORTUNATELY MORE MODERATE DEVELOPING COUNTRY EXPORTERS SUCH AS CHILE, ZAMBIA AND INDONESIA, WERE RELUCTANT TO SPEAK OUT AGAINST THIS EFFORT FOR FEAR OF ANTAGONIZING THEIR G-77 COUNTERPARTS. (NOTE: IN THE FINAL MOMENTS OF THE MEETING ZAMBIA DID CASTIGATE THOSE MEMBERS OF THE G-77 WHO HAD DISRUPTED THE MEETING, PARTICULARLY THOSE WHO HAD VERY LITTLE INTEREST IN COPPER.) AS POSTS WILL ALSO NOTE FROM THE REPORTING CABLE, THE EFFORTS BY PERU, MEXICO AND VENEZUELA WERE NOT BASED SOLELY ON STATEMENTS OF PRINCIPLE IN OPPOSITION TO A BODY INDEPENDENT FROM UNCTAD. THEY ALSO RELIED ON SUCH DISRUPTIVE TACTICS AS REFUSING TO ALLOW PRODUCER AND CONSUMER CAUCUSES, INSISTING ON ONLY PUBLIC RATHER THAN CLOSED SESSIONS OF PLENARY MEETINGS AND EVEN EXTENDING TO THE POINT OF VENEZUELA OPPOSING MENTION OF PERU BY NAME IN ONE OF THE FEW CONTACT SESSIONS WHICH PERU HAD REFUSED TO ATTEND. IN ADDITION THE CLAIM BY THESE COUNTRIES THAT RESOLUTION 93(IV) CANNOT BE CONSTRUED AS PERMITTING THE ESTABLISHMENT OF COMMODITY BODIES EXTERNAL TO THE UNCTAD IS UNACCEPTABLE TO THE U.S. GOVERNMENT AND TO MANY OTHER PARTI-

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CIPANTS IN THE IPC.

4. BOTH THE TECHNIQUES AND THE CLAIMS OF THESE COUNTRIES ARE MOST DISTURBING TO THE U.S. GOVERNMENT. WE CONSIDER IT GROSSLY UNFAIR FOR THESE GOVERNMENTS TO HAVE GIVEN THE IMPRESSION THAT CERTAIN AMENDMENTS IN THE DRAFT CHARTER REGARDING REPORTING TO AND LINKAGE OF THE COPPER BODY TO UNCTAD AND THE REVIEW OF ITS STATUS BY THE MEMBERS SHOULD THE IPC BE BROUGHT TO A CLOSE WOULD ENABLE THEM TO MAINTAIN THE CONSENSUS AND PERMIT THE BODY TO BE ESTABLISHED. ONLY PERU HAD ENTERED A RESERVATION ON THE CONSENSUS OF THE THIRD PREPARATORY REGARDING THE ESTABLISHMENT OF THIS BODY BUT ALL GOVERNMENTS INCLUDING PERU PARTICIPATED ACTIVELY IN THE PREPARATION OF THE TEXT THROUGH THREE WORKING GROUP SESSIONS. THE US GOVERNMENT, ALONG WITH MANY OTHERS, SPENT MANY HOURS IN PREPARATION FOR AN PARTICIPATION IN THESE MEETINGS ONLY TO DISCOVER THAT CERTAIN GOVERNMENTS HAD NO INTENTION OF ALLOWING THE BODY TO BE ESTABLISHED AS ENVISAGED IN THE DRAFT CHARTER.

5. REFTTEL (B) SETTING OUT THE INSTRUCTIONS TO THE PERUVIAN DELEGATION, WHICH WE UNDERSTAND WERE SIMILAR TO THOSE FOR

THE MEXICAN DELEGATION, APPEARED TO BE INCONSISTENT WITH THE ROLE THEIR SPOKESMEN ASSUMED IN GENEVA. (NOTE: WE UNDERSTAND FROM OTHER SOURCES THAT MINISTER PEREZ GUERRERO OF VENEZUELA PLAYED AN ACTIVE ROLE BEHIND THE SCENES URGING ON THE LATIN AMERICAN DELEGATES).

6. THE DEPARTMENT REQUESTS THAT ACTION POSTS MAKE INQUIRIES WITH THE RESPONSIBLE LOCAL OFFICIALS EXPRESSING OUR CONCERNS REGARDING THE COURSE OF EVENTS AND THE CONDUCT OF THE RECENT COPPER MEETING AS WELL AS THE IMPLICATIONS WE SEE FOR THE

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IPC IN GENERAL. DEPARTMENT WOULD APPRECIATE ANY FEEDBACK FROM THESE OFFICIALS REGARDING THEIR VIEWS ON THIS MEETING AND THE POSSIBLE FUTURE COURSE OF THE COPPER DISCUSSIONS.

7. FOR KINSHASA: THE ROLE OF ZAIRE IN THIS MEETING WAS CRITICAL INASMUCH AS IT HELD THE BALANCE BETWEEN THE MODERATES AND THE LATIN AMERICANS. WITHOUT THE SUPPORT OF ZAIRE, PERU WOULD HAVE HAD GREAT DIFFICULTY IN PUSHING ITS CASE AS AN ISOLATED PRODUCER. WHILE ZAIRE NEVER STATED CATEGORICALLY THAT IT OPPOSED AN INDEPENDENT BODY, IT DID INDICATE SUPPORT FOR SUCH A BODY WITHIN UNCTAD AND IT IN FACT EVENTUALLY TABLED A SO-CALLED COMPROMISE WHICH CALLED FOR THE ESTABLISHMENT OF AN AUTONOMOUS COPPER DIVISION UNDER THE UNCTAD SECRETARIAT. IF ZAIRE COULD BE CONVINCED TO SUPPORT THE AUTONOMOUS BODY, IT IS OUR BELIEF THAT THIS WOULD EMBOLDEN CHILE, INDONESIA AND ZAMBIA SUFFICIENTLY TO GET THIS WHOLE EXERCISE BACK ON TRACK EVEN IN THE FACE OF SOME OPPOSITION FROM SOME OTHER MEMBERS OF THE G-77. FOR YOUR INFORMATION, GROUP B REJECTED A FIFTH PREPARATORY MEETING

FOR THE PERIOD AUGUST 21-25 AND NO DATE APPEARS TO BE
AVAILABLE FOR ANOTHER COPPER MEETING THE REST OF THIS YEAR.
END TEXT OF CABLE

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8. FOLLOWING IS A SUGGESTED LETTER FROM AMB VANDEN HEUVEL
TO DR. COREA IN WHICH WE WOULD LIKE THE DEPARTMENT'S CLER-
ARANCE AND/OR COMMENTS: BEGIN TEXT. DEAR MR. SECRETARY-
GENERAL: I AM TAKING THE RATHER UNPRECEDENTED STEP OF
WRITING TO YOU DIRECTLY ON SOME ISSUES RAISED IN AN INDIVI-
DUAL COMMODITY MEETING, IN THIS CASE COPPER, IN THE ANTICI-
PATION THAT YOU MIGHT SHARE SOME OF MY CONCERNS. THE
CONDUCT AND RESULTS OF THE RECENTLY CONCLUDED FOURTH PREPA-
RATORY MEETING ON COPPER HAVE CAUSED ME CONSIDERABLE CONCERN
REGARDING BOTH THE FUTURE COURSE OF DISCUSSIONS ON COPPER
AND THE IMPLICATIONS FOR THE IPC IN GENERAL. WITH THE
EXCEPTION OF VERY FEW COUNTRIES, FULL CONSENSUS HAD BEEN
REACHED AMONG THE GOVERNMENTS OF BOTH PRODUCING AND CON-
SUMING COUNTRIES ON THE ESTABLISHMENT OF A STANDING INTER-
GOVERNMENTAL COPPER BODY. THE BREAKDOWN OF THIS CONSENSUS
WAS, TO MY MIND, A SERIOUS SET BACK TO OUR EFFORTS TO BEGIN
SOLVING SOME OF THE PROBLEMS FOR A VERY IMPORTANT COMMODITY.
WHILE MY GOVERNMENT IS CERTAINLY PREPARED TO LIVE WITH SUCH
A RESULT AND TO CONTINUE THE DISCUSSIONS, I FEEL THE DEVEL-
OPING COUNTRY EXPORTERS IN PARTICULAR CANNOT BUT HAVE LOST
FROM THE FAILURE TO REACH RESULTS AT AN EARLY DATE.

9. THE TACTICS FOLLOWED BY A NUMBER OF COUNTRIES DURING
THIS MEETING REVEAL HOW EASY IT IS TO UPSET A CONSENSUS
SHOULD A DETERMINED EFFORT BE MADE TO DO SO. IT WOULD HAVE
SAVED MANY GOVERNMENTS CONSIDERABLE MAN HOURS AND EXPENDI-
TURES HAD THOSE GOVERNMENTS WHICH DISAGREED WITH THE DIREC-
TION THE DISCUSSIONS WERE TAKING STATED THEIR OPPOSITION
CLEARLY EARLY ON IN THE DISCUSSIONS. IN ADDITION, THE
REFUSAL TO PERMIT CAUCUSES AMONG PRODUCERS AND CONSUMERS,
COMBINED WITH THE EFFORT TO TURN ISSUES INTO CONFRONTATION
BETWEEN GROUP B AND THE GROUP OF 77, COULD, IF PURSUED, HAVE
VERY SERIOUS IMPLICATIONS FOR THE CONDUCT OF OTHER COMMODITY
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MEETINGS. FINALLY, SINCE I UNDERSTAND THAT THE ESTABLISH-
MENT OF NEW COMMODITY ORGANIZATIONS IS UNDER ACTIVE DISCUS-
SION FOR SEVERAL COMMODITIES, IT WOULD BE REGRETTABLE IF
SOME GOVERNMENTS, ESPECIALLY THOSE WITH LITTLE DIRECT
INTEREST IN THE TRADE, WERE TO USE THE ARGUMENT THAT SUCH

ACTION IS NOT CONTEMPLATED UNDER RESOLUTION 93(IV) AS A WAY TO PREVENT THEIR ESTABLISHMENT. A DECISION BY GOVERNMENTS TO ADDRESS THE PROBLEMS OF A COMMODITY IN THIS WAY SHOULD BE SEEN AS A SUCCESS RATHER THAN A FAILURE OF THE IPC.

10. PLEASE BE ASSURED THAT YOU MAY COUNT ON MY CONTINUED SUPPORT FOR YOUR EFFORTS IN THE FIELD OF COMMODITIES. COOPERATION BETWEEN PRODUCERS, CONSUMERS AND THE UNCTAD SECRETARIAT IS ESSENTIAL IF WE HOPE TO ACHIEVE POSITIVE RESULTS IN THE NEAR FUTURE. I HOPE THAT YOU WILL KEEP MY CONCERNS IN MIND AS WE WORK TOWARD THIS COMMON GOAL. END TEXT. VANDEN HEUVEL

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